ORIGINAL

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

IN RE ENBRIDGE ENERGY PARTNERS, L.P. AND ENBRIDGE ENERGY, LIMITED PARTNERSHIP:	)	
	)	Dkt. No. 06-0470
APPLICATION FOR A CERTIFICATE IN GOOD STANDING	)	

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Joel W. Kanvik
Senior Counsel
Enbridge Energy Company, Inc.
1100 Louisiana
Houston, Texas 77002
(713) 821-2000

Gerald A. Ambrose
G. Darryl Reed
Sidley Austin LLP
One South Dearborn
Chicago, Illinois 60603
(312) 853-7000

Attorneys for Applicants

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INTRODUCTION

Enbridge Energy Partners, L.P., through its General Partner, Enbridge Energy Company, Inc., hereby petitions for the issuance to it and its wholly-owned subsidiary Enbridge Energy, Limited Partnership (hereinafter "Applicants" or "Enbridge and its Affiliates") of a Certificate in Good Standing pursuant to the Common Carrier by Pipeline Law, 220 ILCS 5/15-401(a). Such certification is sought only in the interest of efficiency in the event that a request to exercise the power of eminent domain becomes necessary to the construction of the herein described common-carrier-by-pipeline facilities needed to meet public need for crude petroleum essential to the economic supply of refined petroleum products in Illinois and other Midwestern states. Applicants expressly state that no such authority is sought at this time as it is the policy of Applicants to acquire necessary interests in real estate through negotiated agreements with property owners. As shown herein, this Application has been properly filed; a public need exists for the transportation of crude petroleum by the pipeline facilities Applicants intend to construct; the Applicants are fit, willing, and able to provide common-carrier-by-pipeline service; and the public convenience and necessity requires issuance of the requested certificate. 220 ILCS 5/15-401(b).

DESCRIPTION OF THE APPLICANTS AND RELEVANT AFFILIATES

1. Enbridge Energy Partners, L.P. ("Enbridge Partners") is a Delaware master limited partnership headquartered in Houston, Texas with its principal office located at 1100 Louisiana, Suite 3300, Houston, Texas 77002 (ph. 713-821-2000; www.enbridgepartners.com). Enbridge Partners is a publicly held limited partnership: The Class A Common Units of Enbridge Partners trade on the New York Stock Exchange (NYSE:EEP) as regularly traded instruments and are available to the investing public through regular retail brokerage services. The majority ownership of Enbridge Partners is held by approximately 78,000 Class A unit holders, more than 3,400 of whom are Illinois residents owning nearly 2.2 million units; Enbridge Energy Management, L.L.C., a publicly traded limited liability company (NYSE:EEQ), owns approximately eighteen percent (18%) of Enbridge Partners; and an affiliate, Enbridge Inc., holds an eleven percent (11%) interest as of March 31, 2006. Enbridge Partner's total capitalization is in excess of $4.2 billion; net income-per-unit as of March 31, 2006 was $1.12 on operating revenues of $1.888 billion.[1]

2. Enbridge Partners provides common-carrier-by-pipeline service for the transportation of energy in the Mid-continent and Gulf Coast regions of the United States, in addition to gas and crude pipeline gathering, processing, and trucking of natural gas liquids. Its two primary business segments are Liquids Transportation and Natural Gas Business. The Liquids Transportation segment involves the transportation by pipeline of crude petroleum and natural gas liquids via three interstate pipeline systems. The Natural Gas Business segment involves the interstate and intrastate transportation by pipeline of natural gas as well as related

[1] All references to currency are in U.S. dollars.

gathering, midstream, and marketing operations. Enbridge Partners operates over 5,000 miles of liquids pipeline facilities in sixteen different states.

3. Enbridge Partners owns Enbridge Energy, Limited Partnership ("Enbridge Energy"), which in turn owns the "Lakehead System," i.e., the U.S. portion of an operationally integrated pipeline system spanning 3,100 miles across North America to connect producers and shippers of crude petroleum and other liquids in western Canada with markets in the United States and eastern Canada.[2] The Lakehead System operates in seven Great Lakes states, including Illinois. Together with its Canadian affiliate (discussed below), the Lakehead System carries crude petroleum and natural gas liquids to refinery centers in the midwestern United States and eastern Canada and delivers to market approximately sixty-five percent (65%) of the crude oil and natural gas liquids produced in western Canada. The Lakehead System is strategically located and provides low-cost and highly reliable transportation of crude oil and natural gas liquids to premium refinery markets. In 2005, average daily deliveries were 1.34 million barrels per day, much of which was discount-priced heavy crude. As demand for transportation services has steadily increased, average daily deliveries of crude petroleum have risen, exceeding 1.5 million barrels per day during the first quarter of 2006. Lakehead's facilities include nearly 3,300 miles of mostly underground pipe ranging from twelve (12) to forty-eight (48) inches in diameter and approximately 14 million barrels of storage capacity for crude oil at three terminals located at Clearbrook, Minnesota; Superior, Wisconsin; and Griffith, Indiana. The Lakehead System spans approximately 1,900 miles from the international border near Neche, North Dakota to the international border near Marysville, Michigan with an extension from facilities in Canada across the Niagara River into the Buffalo, New York area. From

[2] Enbridge Energy, Limited Partnership was formerly known as Lakehead Pipe Line Company, Limited Partnership, hence "the Lakehead System."

Marysville, affiliated pipelines continue into the Canadian Provinces of Ontario and Quebec. See General Systems Map appended hereto as Attachment A.

4. Regional offices for the Lakehead System are maintained in Superior, Wisconsin ("Superior Region") and Griffith, Indiana ("Chicago Region") and comprehensively equipped and trained pipeline-maintenance and emergency-response crews are stationed along the Lakehead System's lines. Major pipeline-maintenance crews serving the Illinois segments of Lakehead's pipelines are located in Ft. Atkinson, Wisconsin and Griffith, Indiana. In addition, trained pump-station technicians are based at various pump stations along the pipeline system. Within Illinois, the Lakehead System includes approximately 116 miles of thirty-four inch (34") outside diameter steel pipe running from the Illinois-Wisconsin border to the Illinois-Indiana border at Griffith, Indiana (Line 6A) and approximately 120 miles of twenty-four inch (24") outside diameter steel pipe running from the Illinois-Wisconsin border to Mokena, Illinois and on to Griffith, Indiana (Line 14/64).

5. Neither Enbridge Partners nor Enbridge Energy nor any other Enbridge Partners' subsidiary produces or refines crude petroleum. The Lakehead System is strictly an interstate common carrier pipeline system that charges tolls to shippers of crude petroleum and other petroleum liquids. All tariff rates, applicable surcharges, and terms of shipment for transportation of liquid petroleum on the Lakehead System are established and governed by tariffs filed with and regulated by the Federal Energy Regulatory Commission (FERC), the overseeing federal agency which regulates rates and terms of service of liquid petroleum pipeline companies engaged in interstate commerce under the Interstate Commerce Act of 1887. As an interstate liquid pipeline, the construction, operation, and maintenance of the Lakehead System's pipeline facilities are exclusively regulated by the United States Department of Transportation

(DOT), Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to various federal laws and regulations.

6. As noted (supra at 3), Enbridge Energy's Lakehead System is operationally integrated with the Canadian pipeline systems of an affiliate, Enbridge Pipelines, Inc. ("Enbridge Pipelines"), which is a wholly-owned subsidiary of Enbridge Inc. The integrated Enbridge Pipelines and Lakehead systems together comprise the world's longest crude petroleum and petroleum liquids pipeline system and are the primary means of transportation of crude petroleum from Canada to the United States as well as the only pipeline transit system that transports crude oil from western Canada to eastern Canada. These combined facilities serve all the major refining centers in the Canadian Province of Ontario as well as numerous American refineries. The Canadian facilities of Enbridge Pipelines extend from Edmonton, Alberta across the Canadian prairies to the international border near Gretna, Manitoba, where they connect with Enbridge Energy's Lakehead System, and from the border near Sarnia, Ontario to Toronto, Ontario and Montreal, Quebec, with lateral lines to Nanticoke, Ontario and Niagara Falls, Ontario, at which point they connect with Enbridge Energy's Lakehead System extending into the Buffalo, New York area. The National Energy Board (NEB) of Canada comprehensively regulates these Canadian facilities and approves all tolls and terms of service and also oversees pipeline safety.[3]

[3] Enbridge Pipelines also owns and operates pipeline systems in Canada that are engaged in transporting conventional crude petroleum from production areas in the Northwest Territories and western Alberta to Edmonton for refining or further transport (Enbridge Pipelines (NW) Inc.); that transport synthetic crude and oil-sands output from the Athabasca and Cold Lake regions of Alberta to Hardisty, Alberta for shipment east (Enbridge Pipelines (Athabasca) Inc.); or that provide gathering service and trunk line service for oil fields in southeastern Saskatchewan and southwestern Manitoba (Enbridge Pipelines (Saskatchewan), Inc.). These lines, together with Enbridge Pipeline's mainlines and the Lakehead System's lines, constitute the major North American infrastructure by which hydrocarbons produced in Canada transit the United States and ultimately inter alia re-enter Canada.

7. Enbridge Inc. is a leading company in the transportation and distribution of energy in North America and internationally. Enbridge Inc. has four business segments: Liquids Transportation, Natural Gas Business, Gas Distribution, and International. The Natural Gas segment includes partnership interests in the Alliance and Vector interstate natural gas pipeline systems, both of which operate in Illinois; the Liquids Transportation unit includes the operationally integrated Lakehead/Enbridge Pipelines international system and the Spearhead System, which also operates in Illinois (infra at 9-10); the Gas Distribution segment is involved in the provision and distribution of natural gas to users in New York, Ontario, and Quebec; and the international segment includes pipeline interests in Colombia and Spain as well as the provision internationally of consulting services on pipeline operations and technology. Enbridge Inc. employs more than 4,500 people, primarily in Canada and the United States. The common stock of Enbridge Inc. is widely held and is publicly traded on both the Toronto Stock Exchange (TSX:ENB) and the New York Stock Exchange (NYSE:ENB). In 2005, Enbridge Inc. had total capitalization of $10.2 billion and revenues of $7.3 billion. Enbridge Inc. is headquartered in Calgary at 425 - 1st Street S.W., Calgary, Alberta T2P 368 Canada.

8. Enbridge Inc. indirectly owns Enbridge Energy Company, Inc., a U.S. entity that holds Enbridge Inc.'s interest (supra at 2) in Applicant Enbridge Partners and which acts as Applicant's General Partner. Enbridge Energy Company, Inc. has delegated management of the business and operating affairs of Enbridge Partners to Enbridge Energy Management, L.L.C., which is staffed by experienced pipeline personnel. The headquarters of Enbridge Energy Management are collocated in Houston, Texas with those of Enbridge Partners.[4]

[4] The corporate structure of the Enbridge family of businesses, which includes Applicants and their affiliates, is shown in the annual reports and financial statements appended hereto and referenced below (infra at 33). These include lists of officers responsible for the daily operation of Applicants' businesses.

ENBRIDGE'S EXPANSION PROGRAMS

9. The petroleum-using public in Illinois -- i.e., automobile drivers, manufacturers, airline and commercial transport providers, home-heating customers, petrochemical plants, farmers, governments, truckers, educational institutions, etc. -- consumes over 27,000,000 gallons per day of refined petroleum products, including over 14,000,000 gallons per day of gasoline (about 5.1 billion gallons of gasoline per year). Most of this demand is met by the output of five major modern refineries located either in Illinois or northern Indiana, although some refined petroleum products are transferred into Illinois from refineries located primarily in the Gulf Coast Region. Illinois-area refineries also send refined petroleum products into other parts of the market area known as Petroleum Administration Defense District II (PADD II), primarily to Wisconsin and Michigan via refined products pipelines and other modes of transportation.[5] Demand for petroleum products as an energy source and for other purposes is growing and will continue to grow in Illinois and throughout the PADD II area as population grows and economic activity expands, despite energy conservation and efficiency measures. Such demand is relatively price inelastic and has not to date been materially constrained by price increases such as those occurring recently in the retail gasoline market. Satisfying this demand requires the importation into Illinois and the rest of PADD II of immense amounts of crude

[5] Refined products are moved out of Illinois by a number of regional pipeline systems. These include Buckeye Pipeline, Wolverine Pipeline, West Shore Pipeline, and several proprietary (non-common carrier) BP lines. Refined products are also moved into and through Illinois from Texas and Louisiana by several interstate lines that primarily carry gasoline, jet fuel, and distillate to markets other than Illinois. These include Explorer Pipeline, Centennial Pipeline, TEPPCO, and Magellan Pipeline. Of these, only Centennial terminates in Illinois and it delivered less than 75,000 bpd in 2004; the Explorer line terminates in Indiana; TEPPCO stretches from southeast Texas to the Northeast (New York) and serves many major markets along its route; and the Magellan Pipeline primarily serves Midwestern states west of the Mississippi River, having only two small lines (22,000 bpd and 35,000 bpd) extending into Illinois. Deliveries into Illinois from these lines meet only a fraction of consumer demand for refined petroleum products; the remaining public demand is met by Illinois-area refinery output.

petroleum because Illinois has no substantial native sources of crude oil, producing less than three percent (3%) of the daily crude supply requirements of the area refineries.

10. Historically, a major portion of the crude petroleum required to satisfy the public demand for refined products has been sourced from oil production areas in various western Canadian provinces and has been transported to Illinois and other Midwestern states through common carrier pipelines such as the Enbridge Energy's Lakehead System. Canadian-produced crude petroleum, particularly so-called heavy crude, has been increasingly demanded by Illinois-area refiners in the last few decades because discounted heavy-crude was economically attractive; domestic on-shore sources of supply were declining in output; and imports arriving into the U.S. Gulf from Middle Eastern, African, South American, and other foreign sources were becoming, by comparison to the heavy-oil discounts, more expensive. Also, foreign crude oil supplies, especially in the Middle East, suffered growing instability and unreliability as supply sources. Recently, as the world market price of crude oil has risen due to increasing worldwide demand for petroleum, particularly in developing countries such as China and India and in post-communist Eastern Europe, U.S. preference for discounted Canadian crude has strengthened.

11. Throughout these developments, Enbridge Partners and Enbridge Inc. have striven to meet the demand for pipeline transportation of crude petroleum to link the growing production fields of western Canada with the growing need by refiners in Canada and the U.S. Midwest for the reliable, economic, and secure supplies required to meet the public need for petroleum products such as gasoline, heating fuels, jet fuel, asphalts, medicines, petrochemical products (e.g., plastics), and other products needed by the consuming public in Illinois and the region. Thus in 1949 Enbridge (then named Interprovincial Pipe Line) began

construction of its first pipeline after the initial discovery of oil in western Canada in 1947 at Leduc, Alberta, initially connecting to refiners in Regina, Saskatchewan and then extending on to Superior, Wisconsin. The line was extended to Sarnia, Ontario in 1953 and since that time a number of new pipeline segments have been constructed. In 1968 and 1969, the pipeline system was extended south from Superior to Chicago and toward Detroit into Sarnia, Ontario, thus affording refiners in the Chicago area economic access to Canadian crude and also creating an alternative southern route -- via Wisconsin, Illinois, Indiana, and Michigan -- for petroleum moving to Ontario. Mainline expansion continued throughout the 1970s, 1980s and 1990s and into 2002, adding capacity and extending service to reach new production areas in the Northwest Territories, expand deliveries to existing refineries served, and connect to new refinery markets in Ohio and New York. One of these expansions was the "System Expansion Program Phase II," in which inter alia Line 14 was added to the Lakehead System in 1998 to help meet demand in Illinois and elsewhere for increased supplies of Canadian crude and to relieve capacity constraints on the Enbridge system.

12. In addition to expanding its Canadian and Lakehead System mainline pipelines, Enbridge acquired interests in other pipeline systems to help meet increasing demand for Canadian crude oil in Illinois and other areas of the United States. This effort included establishing a connection to crude supplies in Montana and North Dakota and securing ownership interests in the Mustang Pipeline (formerly Mobil) and the Chicap Pipeline, both of which had exclusively transported crude from southern sources into the Chicago and Midwest markets. Mustang Pipeline was reversed in 1996-1997 and equipped to move Canadian crude from an interconnect with the Lakehead System south to areas that previously had no access to Canadian crude. Similarly, in 2002-2003, Enbridge expended some $125 million to acquire the

Cushing-Chicago Pipeline System from BP, which, although it had a capacity of 300,000 barrels per day, had been idled in the 1990s at its north end due to dwindling production in the U.S. Mid-continent. Enbridge proceeded to reverse the flow of the Cushing-Chicago line to ship Canadian crude to the interstate pipeline hub at Cushing, Oklahoma for delivery to markets in the areas south of Chicago. This line, now known as Enbridge's Spearhead Pipeline, was initially expected to deliver approximately 65,000 barrels of Canadian crude per day; however, since its start-up in March 2006, the Spearhead line has been transporting far more crude than initially forecasted and is rising towards its initial operating capacity of 125,000 barrels per day. Accordingly, Enbridge anticipates, subject to customer support, that both the capacity of the line and Enbridge's current 8.3 million barrels of crude oil storage capacity at Cushing will be substantially increased in the near future.

13. Enbridge's efforts to help meet the energy needs of North American consumers are not confined to the expansion of its petroleum pipeline transport system but also include numerous other innovative and capital-intensive efforts.[6] However, meeting the public need for crude petroleum for refining and processing into critical and valued products continues as one of Enbridge's highest priorities. Thus, in response to market needs and demands in Illinois and elsewhere, Enbridge Inc., Enbridge Partners, and Enbridge Energy jointly committed themselves in December 2005 to a billion-dollar plus expansion of their mainline system's crude facilities in order to provide 400,000 barrels per day of additional capacity into the Midwestern market area, including Illinois. This effort is known as the "Southern Access Expansion Program" and is designed inter alia to provide access for Illinois consumers to a

[6] Various Enbridge entities are participating in the development of emerging and renewable energy technologies such as gas-fuelled fuel cells for residential use and wind-power projects in Alberta, Saskatchewan, and Ontario. Yet others are working to increase energy supplies to North American markets by pursuing oil sands energy infrastructure development and access to natural gas supplies in Alaska.

dependable, secure, adequate, and economic supply of crude petroleum from Canadian sources, including the rich and economically available potential of the Alberta oil sands.[7]

14. As part of its expansion efforts, Enbridge plans to construct two new liquids pipelines in Illinois within Boone, DeKalb, LaSalle, Livingston, Grundy, and Will Counties. Over the majority of the route in Illinois, the two pipelines will be collocated within the same right-of-way, as more specifically described below and as shown on the map in Attachment B. One pipeline will originate at Enbridge Energy's storage terminal in Superior, Wisconsin and will expand the Lakehead System to carry crude oil through Wisconsin to a point southwest of Chicago at an existing Enbridge petroleum-storage facility near Flanagan, Illinois. This pipeline, which is planned to be a 42-inch line, is proposed in Boone, DeKalb, LaSalle and Livingston Counties and is referred to commercially as the "Stage 2" segment of the Southern Access Expansion Program ("Stage 1" consists of construction of a new line through much of Wisconsin one year prior to this second segment in order to provide initially at least a portion of the 400,000 barrels per day incremental capacity required to meet growing demand). The second pipeline, which is to be constructed concurrently with and which will complement the Southern Access expansion, will transport light liquid hydrocarbons, referred to as diluents, from Illinois-area refineries and other sources through new and existing pipelines in the United States and several Canadian provinces for delivery in northern Alberta where the liquid hydrocarbons will be used to facilitate the transportation of crude oil from Alberta's oil sands. Enbridge refers to this pipeline as the "Southern Lights Project." This pipeline, planned to be sixteen to twenty

[7] The Athabasca oil sands region in Alberta, together with other such Canadian deposits, are estimated by the U.S. Energy Information Administration to contain reserves of 174.1 billion barrels, second only to those of Saudi Arabia. Advances in recovery technology and increasing crude prices have made the oil sands economically attractive to develop. Oil sands production now exceeds 950,000 bpd and is predicted to grow ten percent (10%) annually, reaching as much as 3.5 million bpd by 2015. It is estimated that heavy crude will account for 2.5 million bpd of this output, thus necessitating use of diluting agents to facilitate transport.

inches in outside diameter, will originate near Manhattan in Will County and will cross part of Grundy County before joining the right-of-way of the new 42-inch crude line in LaSalle County and continuing north through Illinois, Wisconsin, Minnesota, and North Dakota and the Canadian prairie to Alberta, Canada.

15. Enbridge's Southern Access Expansion Program is a continuation of the company's decades-long effort to afford Illinois and other PADD II consumers access to the petroleum resources of western Canada, resources that the area's refiners can turn into needed fuels, lubricants, petrochemicals, and other products. Through this effort, billions of barrels of Canadian crude have been shipped to Illinois and other Midwestern refineries to meet the public need and demand for petroleum products. Since 2000, Illinois refineries have principally relied upon Canadian sources for their crude supplies, so much so that of some 831,000 barrels per day shipped to refineries in Illinois in 2004, 442,000 barrels per day came from Canada while just 84,000 barrels were sourced from crude oil imported into the U.S. Gulf Coast from Middle East and North African fields and only an estimated 271,000 barrels per day came from domestic production (the balance was imported from various other sources). Illinois-area refineries prefer Canadian crude for a variety of reasons, including dependability of supply; efficient, timely, and economical transport; and lower input costs due to their ability to refine and process discount-priced heavy crude from Canada. For such reasons, U.S. imports of Canadian crude doubled in the period 1998-2003 and more than 1,000,000 barrels per day of Canadian crude are now imported into the PADD II region, approximately seventy percent (70%) of PADD II imports. Enbridge and its Affiliates have proposed the Southern Access Expansion Program in response to demand by petroleum producers and users for supplies to meet public need. They are developing the Program in cooperation with the Canadian Association of Petroleum Producers

(CAPP), which represents shippers such as BP, ConocoPhillips, Imperial Oil (ExxonMobil), and Marathon Petroleum, among others. PADD II refiners such as BP, Marathon, Valero, and Coffeyville Resources have also indicated support for the Program. Together the two new pipelines planned as part of the Southern Access/Southern Lights projects are essential components of Enbridge's overall initiative to provide integrated, staged transportation solutions to connect the abundant and increasing supplies of crude produced from oil sands in the Province of Alberta to key refinery markets in the American Midwest and beyond and to facilitate such production with the transportation of light liquid hydrocarbons needed to dilute the heavy crude produced in the oil sands to meet pipeline transportation needs and tariff-service specifications. Given estimated capital costs of $190 million (2006 dollars) for enhancements on facilities between Edmonton and Superior; of $1.08 billion (2006 dollars) for the 42-inch pipeline planned for Stages 1 and 2 of Southern Access; and of $920 million (2006 dollars) for the Southern Lights Project, Enbridge is committing well over $2.0 billion to assure that Illinois and other Midwestern states have adequate supplies of petroleum and petroleum products.[8]

[8] Because crude oil supplies from Alberta's oil sands are forecasted to continue to rise over the next decade, Enbridge Partners and Enbridge Inc. have also proposed an addition to the mainline system between Alberta and Superior, Wisconsin. This project, referred to as the "Alberta Clipper" expansion, is an entirely new pipeline that will add up to 800,000 barrels per day of pipeline capacity to the system as early as 2010. This project is naturally dependent on capacity downstream of Superior, Wisconsin being available through the completion of the Southern Access Expansion Program, the subject of this application. Therefore, if the Alberta Clipper project proceeds as proposed, the Lakehead System's capacity will be increased first by 400,000 barrels per day through the Southern Access Program and then by another 800,000 barrels through pump additions (no additional pipe will be needed in Illinois due to the size (42-inch) of the Stage 2 line), thus providing up to 1.2 million barrels per day of incremental capacity over and above that currently available. Because the Alberta oil sands are estimated to produce millions of barrels per day of incremental crude supply by 2015, these Enbridge expansions will serve as the key transportation conduit to the PADD II refineries and beyond for this vital petroleum. Enbridge has also proposed another project which would extend the Lakehead System to the interstate pipeline hub in Patoka, Illinois and/or to Wood River. This potential extension involves a 36- to 42-inch pipeline from Flanagan and associated pumping facilities and has a projected capital cost of at least $325 million (2006 dollars).

EXPANSION PROGRAM
FACILITIES IN ILLINOIS

16. As noted, the various expansion projects proposed by Enbridge will require the construction of over $2 billion worth of assets for the Southern Access facilities and pipelines -- Stages 1 and 2 -- and the Southern Lights or diluent line. A substantial part of this infrastructure will be located in Illinois. Of the 454 miles of new pipeline required for Southern Access, approximately 111 miles of the 133 miles of pipe needed in Stage 2 -- Delavan, Wisconsin to Flanagan, Illinois -- will run from the Illinois-Wisconsin border in Boone County to Enbridge's tankage facility in Livingston County. These 111± miles of pipe are expected to be completed in the first quarter of 2009 and will connect at Flanagan to Enbridge's Spearhead line in order to transport crude in two directions -- northeasterly towards the Chicago area via a re-reversed section of the Spearhead line and southwesterly through the Spearhead System to Cushing, Oklahoma and via interconnecting pipelines to other regions. The Southern Access line will be located within sixty (60)-foot wide permanent right-of-way easements running from the Illinois-Wisconsin border in Boone County past Belvidere on the east and into DeKalb County continuing west of DeKalb/Sycamore into LaSalle County east of Leland to run between Ottawa and Marseille and west of Ransom into Livingston County near Blackstone and connecting, as noted, at Flanagan. (See Attachment B, Map of Routes). During construction, an additional eighty (80) feet of easement space will be required alongside the right-of-way as temporary workspace easements that will terminate upon completion of construction/restoration. The initial 400,000 bpd capacity expansion will not require new pump stations in Illinois as Enbridge will construct a new two-unit facility at its existing station site in Delavan, Wisconsin

and will expand its pumping capacity upstream of Superior and in Canada to provide the requisite power for moving the crude under transport.

17. The diluent line -- Southern Lights -- will originate near Manhattan in Will County and will intersect with the Southern Access right-of-way at a point near Ransom in LaSalle County's Allen Township. For the approximately forty-four (44) miles of Southern Lights pipeline required in Will, Grundy, and LaSalle Counties, it is Enbridge's intention to have the Manhattan-Ransom route proceed parallel and adjacent to an existing pipeline right-of-way belonging to BP (BP Illinois Line No. 1) between these locations. This initiating leg of the diluent line right-of-way easement will be 60 feet in width (20 feet of temporary workspace will be required). At least two pumping stations, space for which will be acquired in fee, will be constructed in Illinois to serve the diluent line; one such station will be located at the line's origin near Manhattan and one at the Southern Access/Southern Lights intersection near Ransom. From that intersection point, the Southern Lights line will be collocated in Illinois in the Southern Access right-of-way through LaSalle, DeKalb, and Boone Counties for about 90 miles± and will continue therein through Wisconsin, ultimately extending through existing Enbridge rights-of-way to Alberta.

PUBLIC NEED/PUBLIC CONVENIENCE AND NECESSITY

18. Adequate supplies of petroleum and refined petroleum products are essential to the citizens of Illinois and the economic health and well being of the State. Illinois is the sixth (6^{th}) largest user of gasoline among all the United States and the seventh (7^{th}) largest consumer of energy generally. Illinois-area refiners and petrochemical manufacturers, as well as other industries that rely upon petroleum feedstocks, contribute billions of dollars of value to the state's economy and provide employment and support for thousands of workers in the petroleum and related industries. Transportation fuel -- gasoline, jet fuel, and diesel fuel -- produced in the area's refineries makes possible the diverse and dispersed economic life of the state by powering automobiles, trucks, airplanes, tractors, combines, buses, trains, and countless motors that dry crops, machine goods, provide light and heat, and move people and products into and out of the state and throughout its regions. In addition, petroleum products produced in Illinois are essential to consumers and industries in other Midwestern states such as Wisconsin and Michigan that lack the refining capacity of the Illinois region, thus constituting markets that make petroleum processing even more central to Illinois' economic status. Demand in Illinois for petroleum and petroleum products for such uses has grown continuously since the mid-1990s and is projected by all credible analysts to continue to grow for decades to come, despite development of alternative energy sources and mandates for hybrid and non-petroleum powered vehicles. Nationally, consumption of oil reached 20.7 million barrels per day in 2004 and is widely expected to continue to grow for decades to come, according to the Energy Information Administration (EIA), an agency of the U.S. Department of Energy. EIA's Annual Energy Outlook projects that U.S. oil consumption will increase by one-third, to some 27.6 million barrels per day, by 2030. Demand trends in Illinois suggest that consumption of petroleum will

continue to grow by almost one percent annually for gasoline and over two percent each year for distillate. This growing Illinois demand is consistent with both national and international trends in petroleum use and is driven by increases in population and economic activity (Illinois is forecast to have slightly lower population growth but greater economic growth than the nation as a whole through 2030). Consumer demand for petroleum products correlates directly to population size and level of economic activity and thus will only grow in Illinois in the coming decades. Moreover, such demand is virtually unaffected by retail product prices, i.e., there is little short-term price elasticity in the refined petroleum market (both demand for gasoline and distillate show an inelastic relationship between price and quantity demanded). Thus in the future Illinois will require ever increasing quantities of refined petroleum products to meet the public's needs, and concomitant supplies of crude petroleum to produce the demanded products.

19. Illinois' demand for petroleum products is primarily met by the output of the five major refineries located in the market area. These refineries -- ExxonMobil in Joliet; BP in Whiting, Indiana; ConocoPhillips in Wood River; CITGO in Lemont; and Marathon in Robinson produce transportation fuels (gasoline, diesel, jet fuel), finished non-fuels such as asphalt, and chemical-industry feedstocks that supply consumers in Illinois and other Midwestern states. Together they can refine about eight percent (8%) of total U.S. production and make Illinois the fourth-ranking state in refining capacity in the country (the only other such concentrations of refining capacity are along the Louisiana/Texas Gulf Coast and in Southern California). They employ thousands of workers and contribute substantially to the state's gross product, as well as paying state and local taxes. Collectively, they have the capacity to produce over 1.3 million barrels per day of petroleum products and can thus produce a surplus to state requirements such that they can transfer sizable quantities of transportation fuels and other

products to neighboring states (in 2004, Illinois gasoline production exceeded state consumption by several hundred thousand barrels per day, jet fuel production exceeded consumption by almost 50,000 barrels per day, and distillate production was more than twice the state's consumption level). This production is essential to the economic well-being of the region. For example, product transfers from Illinois supply over 75% of Wisconsin's transportation-fuel demand. Economic activity in neighboring states thus fueled directly benefits the economy and people of Illinois as well as the refineries themselves.

20. These Illinois-area refineries are large-scale facilities -- even the smallest can process over 150,000 barrels per day of crude oil -- and are operationally "complex," that is they are equipped to refine a wide variety of types of crude petroleum, not just the increasingly scarce and high-priced "sweet" (low-sulfur) crude historically preferred. Over the years, all of these refineries have been upgraded to utilize some portion of price-discounted heavy crude, which is relatively less costly as input and is increasingly available. Thus in the 1990s BP improved the ability of its Toledo refinery to process heavy crude and is now considering further such enhancements at both its Toledo and Whiting refineries. As well, Midwestern refineries are moving to increase the use of Canadian crude overall; e.g., Marathon in Detroit is planning to add 65,000 barrels per day of heavy crude capacity to increase its production of transportation fuels and the Sunoco refinery in Toledo is increasing its capacity by approximately one-third to increase its utilization of Canadian crude.[9]

21. Because Illinois, as noted, lacks any significant native supply of petroleum, the Illinois-area refineries that fill the public's need for refined products are almost totally dependent -- 97% -- on crude transported into Illinois, virtually all by pipeline. There are

[9] Other U.S. refineries in the east and the south are also making modifications to allow the use of more Canadian heavy crude. Examples are the United refinery in eastern Pennsylvania and the Wynnewood refinery in Oklahoma.

only three significant sources of supply for Illinois-area refineries: (1) U.S. Gulf of Mexico-produced crude and waterborne foreign crude imported at the U.S. Gulf Coast; (2) crude produced in the American Mid-continent, primarily Oklahoma and West Texas; and (3) Canadian crude from the Western Canadian Sedimentary Basin. Of these three, only the Canadian-produced crude can be reliably regarded as an adequate source for the future needs of Illinois refiners and consumers, primarily because the Alberta oil sands are the most feasible, secure, and economic means of meeting the increasing demand for oil and replacing declining supply sources. Worldwide the supply of petroleum from conventional, established sources is increasingly under stress for a variety of reasons, ranging from resource exhaustion to production disruption. At present, the world economy, with burgeoning demand for oil, has only enough excess supply production over aggregate demand to equal a reserve margin of slightly more than one percent (1%). Given past trends, it is projected that by 2015 there will be no margin of excess supply and quite possibly a supply deficit of three to four and one-half percent (3% - 4½%) of demand. Domestic American production, particularly in the Mid-continent and onshore U.S. Gulf states, has been declining and will continue to decline, as is evident from the increasing movement of Canadian crude into refining markets in the American South and West. Gulf-produced crude is not projected to be a source of continuously increasing supply, particularly due to restrictions on drilling in the eastern U.S. Gulf area and the costs of deep sea exploration and production. Moreover, Gulf sources and supply systems are vulnerable to disruption from hurricanes, as most recently happened in 2005 during the hurricane season when hurricanes Katrina and Rita severely disrupted both crude production and transport, leading to supply shortages and price spikes in the Midwest and elsewhere.[10]

[10] Hurricanes Katrina and Rita caused the shutdown of crude and product pipelines from the Gulf to the Midwest and to the Northeast due to loss of electric power, the shutdown of refineries accounting for about 29% of U.S.

22. Long-term reliance on Gulf-landed foreign crude appears to be an increasingly less economic and acceptable energy strategy. Increasing foreign imports of crude via the Gulf is problematic in view of growing worldwide demand and the resulting increase in dependence on politically unstable/unacceptable areas, contrary to U.S. energy policy. Not only has the trend in world production of petroleum been one of growing instability and volatility in production and supply, leading to steadily increasing prices and new price plateaus following each new oil "shock," but the number and frequency of such crises have also increased over the last ten years and there is an increasing possibility of future "shocks" at increasing rates (witness the recent trend to oil prices of over $70 per barrel). In addition to these elements, the aforementioned growth in worldwide demand for oil indicates that reliance on increased supplies of foreign crude landed in the Gulf is questionable and suggests moving to stable and growing Canadian sources. Current world-wide demand is about 80 million barrels per day, with the United States comprising a quarter, or about 20 million barrels per day, of that demand. The current de minimis margin -- 1%± -- of supply over demand is the result of population and economic growth worldwide, largely from surging oil demands in India and China. Demand in China and India -- respectively the world's second- and fourth-largest energy consumers, each of which is increasingly converting to a petroleum-based economy -- is projected to grow at a rate of five percent (5%) annually over the next twenty years, growth which when combined with that in other areas, such as Eastern Europe, is predicted to cause a fifty percent (50%) increase in daily worldwide consumption of oil by 2025, i.e., from about 80 million barrels per day now to

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refining capacity, and the destruction of some 115 production platforms in the Gulf and severe damage to 52 others. As of May 3, 2006, over 21% of crude production in the Gulf remained out of operation, as did 3.3% of the area's refining capacity. The 2006 hurricane season (June through November) has now begun, with unknowable consequences at this point.

about 120 million barrels per day then. In such circumstances, supply uncertainty and expense can, and will, only increase.

23. By contrast, Canadian produced crude affords Illinois refiners and consumers a supply source that is reliable, ample, secure, and economic. For such reasons, Canadian crude is increasingly in demand by Illinois-area and other U.S. refiners. Historically, Canadian crude has been sought by Midwest refiners because it offered them an ample supply and some cost advantage over other sources since Canadian producers lacked ready access to other world markets. As other U.S. onshore sources declined and/or became more expensive, crude prices have climbed and discounted heavy crude has become more attractive, thus causing greater reliance on Canadian crude. Thus American imports of Canadian crude doubled in the period 1988-2003, mostly of heavy crude. Currently, more than 1,000,000 barrels per day of Canadian crude is transported by pipeline into the PADD II area, including Illinois, and Illinois refiners as well as other Midwestern users are seeking even greater volumes.[11]

24. Canadian production has been steadily increasing to meet such demand and will continue to do so as output from the Alberta oil sands increases. The oil sands in Alberta, mainly centered in the Athabasca, Peace River, and Cold Lake regions, have recognized reserves, i.e., those presently economic to recover and produce, of some 174.4 billion barrels, second only to those of Saudi Arabia, and potential reserves of 1.6 trillion barrels, making them more than adequate to supply the projected needs of Illinois for many decades to come. Due to the foresight of the Canadian government and Canadian petroleum producers, recovery and processing techniques have been developed and implemented to produce petroleum -- i.e.,

[11] Additionally, hundreds of thousands of barrels per day move through the Lakehead System lines for delivery in Canada for use in meeting the needs of consumers therein. Thus these lines are "transit pipelines" and subject to treaty protections in force between Canada and the United States under various treaties and protocols, such as the Transit Pipeline Agreement, NAFTA, U.S.-Canada Free Trade Agreement, and the Security and Prosperity Partnership of North America.

bitumen and synthetic crude -- from the oil sands at operating costs of $10 to $20 per barrel, making these outputs more than competitive in the world oil markets. So successful has the development of Alberta's oil sands been that their output in 2006 is expected to exceed western Canada's conventional production -- 1,216,000 bpd v. 1,032,000 bpd -- and is projected to grow by over ten percent (10%) annually (supra at 11, n.7).

25. Canadian crude oil, including that from the oil sands, thus offers Illinois consumers and refiners the needed supply source. As well, whereas access for Illinois refiners to other sources of crude is sometimes constrained, subject to disruption, and unlikely to improve, as discussed herein, access to Canadian crude is now, and can be in the future, an increasingly secure means of satisfying public need and demand for petroleum and maintaining Illinois' place in the petroleum-products supply market. Interstate and international transmission pipelines, such as those operated by Enbridge Pipelines and Enbridge Energy, are the only practical means of meeting Illinois' need for petroleum, as well as the most safe and environmentally sound mode of transportation. No combination of railroad tank cars and/or tanker trucks could effectively and economically move the huge quantities of crude oil needed to keep Illinois functioning and river transport has never been a significant mode of moving oil to Midwestern refineries.

26. Virtually all of the crude petroleum processed in the Illinois area is brought in by pipelines that connect to one of the three supply sources identified above -- i.e., the Gulf, the Mid-continent, and Canada. These are principally, although not entirely, common carrier pipelines that are subject to the classic utility duty-to-serve without discrimination and whose rates, terms of service, and operations are subject to governmental regulation, primarily by the NEB, FERC, and PHMSA. In the late-1990s, there were seven (7) such pipelines

bringing crude petroleum into the Illinois market, one from the Gulf (Capline), four from the Southwest (Mobil, Ozark, Cushing-Chicago, and Amoco (now BP)), and two from Canada (Interprovincial/Lakehead (now Enbridge/Lakehead) and Express-Platte). Since then, two of those lines -- Cushing-Chicago and Mobil (now ExxonMobil) -- together having over 430,000 barrels per day of capacity, have ceased to move crude into Illinois, and in fact have been reversed to carry Canadian crude to American markets south of Illinois (these lines were idled in the 1990s as it became uneconomic to source crude through them; as noted, Cushing-Chicago is now Enbridge's Spearhead line; ExxonMobil's line recently began to move crude from the Patoka, Illinois junction south to U.S. Gulf Coast refiners). Aside from Enbridge's, there are no plans by the operators of any of these pipelines to expand in order to replace the erstwhile 430,000 barrels of capacity or to accommodate Illinois' growing need and demand for petroleum. Due to declining production in the Southwest, there are no plans to expand the Ozark Line, which is a common carrier line. The remaining Mid-continent line -- BP's -- is a proprietary line that serves only BP's refinery needs. Capline is the only direct connection available to deliver Gulf-sourced crude and it is subject to hurricane-induced disruptions and shutdowns, as happened in 2005. The Express-Platte line primarily carries Canadian crude to Wyoming and can transport only about 140,000 barrels per day towards Illinois; there are no known plans to expand this system. Thus only Enbridge's Southern Access Expansion Program is designed to and can meet the needs of most Illinois and other Midwest refiners and through them, the needs of the petroleum-using public.[12]

[12] Although various other pipeline projects are under discussion, none will compete with Enbridge's Southern Access Program. TransCanada's proposed "Keystone" line would serve Wood River and not the Chicago-area refinery market, although it may ultimately be extended to the Patoka junction. A concept for a "bullet line" connecting Alberta and the Texas Gulf -- thus "Altex" -- has been announced in the trade press, without development to date. Other proposals, including Enbridge's "Gateway" line, are intended to move part of the growing oil sands production to western U.S. and Asian markets and thus do not compete with Southern Access.

27. The petroleum-consuming public in Illinois, in the PADD II region, and in the United States and Canada generally will benefit greatly from an increase in the ability of Enbridge and its affiliates to deliver more Canadian crude to Illinois-area and other refiners. Given the increasingly tight level of the world's oil supply, the addition of the Alberta oil sands as a major source of North American supply can only be regarded as an important contribution to meeting the growing demand for petroleum in Illinois and elsewhere. Access to markets is, of course, essential to the development of any resource and Illinois, as well as the rest of PADD II, constitutes both the most natural and attractive market for western Canadian produced petroleum. The enhancement of access to the Illinois market, as represented by the Southern Access Expansion Program, will stimulate the bringing to world supply of ever-increasing quantities of Canadian crude from the oil sands. Correspondingly, petroleum consumers in Illinois will benefit if such newly available supply moves to area refiners that can use it to meet local demand rather than moving to non-PADD II markets, or even to overseas markets such as Japan, China, or Korea, where refined products will not be available to Illinois users. Moreover, should Illinois-area refiners not be able to obtain increased supplies from Canada via Enbridge/Lakehead lines, they will be forced either to seek supply alternatives from more costly, less stable, less abundant, and less dependable sources or to forego continuing to meet increasing consumer demands for refined petroleum, leading to higher product prices and greater dependence on the importation of more refined products, which will require a greatly increased transportation infrastructure, i.e., more and bigger products lines (to meet increasing Illinois demand, product lines such as Explorer, Centennial, TEPPCO, and Magellan would need to increase their Illinois facilities and delivery capacities).[13] As the major Illinois-area refineries

[13] In 2004, the PADD II region consumed about 4.8 million barrels per day of refined petroleum products. Refiners in the region, including those in Illinois, produced 3.7 million bpd, so the balance had to be transported into the

are both equipped to utilize, and are increasingly seeking to utilize, the heavy crude produced in Canada, it is highly advantageous to them to have access to greater quantities of such crude via the Enbridge and Lakehead pipelines. Refineries that can both obtain and process discount-priced heavy crude can enjoy lower supply costs and, in the case of Canadian crude, more dependable sourcing and expeditious delivery than otherwise available. Ultimately consumers benefit as enhanced supplies help restrain product prices, secure product availability, maintain Illinois' refining industry and its economic contributions to the state, and cushion the local market -- Illinois -- against supply disruptions and distortions caused by natural phenomena and world oil shocks.

28. Enbridge's expanded system and new pipelines will meet the public need for increased supplies of Canadian crude in a manner conducive to public convenience and necessity. Thus in selecting the Illinois routes for both the new crude line and the non-parallel portion of the diluent line, Enbridge has sought to identify pathways that as much as possible avoid developed and environmentally sensitive areas. Prior to selecting its routes, Enbridge extensively studied possible rights-of-way and considered various alternatives. Engineering, land, and environmental specialists were commissioned to analyze various route possibilities for such factors as wetlands, wildlife, and habitats for endangered species as well as for natural resource areas and water resources, such as river and stream crossings, and right-of-way specialists examined land-use patterns and existing infrastructure layouts. In this process, various alternative routes are identified and then subjected to more detailed analyses and field inspections. Within Illinois, at least three different possibilities were considered for the 111± miles of new 42-inch pipe and the paralleling portion of the diluent line. Each was screened for

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region primarily by product lines. Since Illinois-based production exceeded state consumption (supra at 17-18), Illinois was/is not dependent on refined products lines but rather contributes to meeting regional needs.

existing routes, for the presence of high-consequence areas ("HCAs"; see 49 CFR 195.452), and for unusual environmental impacts. As a result, the route from the Delavan, Wisconsin station described above through Boone, DeKalb, LaSalle and Livingston Counties to the Flanagan connection was identified as the most appropriate pathway for the new pipelines between the Wisconsin border and Flanagan. The route, referenced as "Alternative A" in Enbridge's analysis, avoids HCAs, susceptible public drinking water sources, environmentally sensitive areas, high-density population areas (i.e., cities with populations greater than 1,000 people per square mile), and other incorporated areas. Once a preferred route alternative is identified by the process, Enbridge's personnel conduct further field investigations and site inspections to refine the right-of-way location. This effort includes meetings with state, county, and local officials along the route, with state and federal environmental authorities, and with landowners and interested parties. Adjustments to route details were made, and continue to be made, based on such inputs and data gathering. And, by following an existing pipeline right-of-way between Manhattan and Ransom, Enbridge will site much of the Southern Lights line so as to minimize utilization of new routing. Consequently, the proposed routes from Wisconsin to Flanagan and from Manhattan to the Southern Access/Southern Lights junction represent feasible paths for the pipelines and the most effective and convenient way to provide the needed transportation service and capacity.

APPLICANTS' FITNESS, WILLINGNESS, AND ABILITY TO PROVIDE COMMON CARRIER BY PIPELINE SERVICE

29. Enbridge Partners and Enbridge Energy and their predecessors have a long history of successfully operating common carrier pipelines in Canada, the United States, and in Illinois. This history began, as noted (supra at 8), almost sixty years ago in Canada when Enbridge (née Interprovincial) built the first pipeline out of Alberta. By 1950, it had successfully brought the pipeline system to the head of the Great Lakes at Superior, Wisconsin, where crude was transferred by tanker ships to eastern Canada. In the mid-1950s, the "Lakehead System" was extended from Superior across Wisconsin and the Upper and Lower Peninsulas of Michigan to reach Ontario at Sarnia, a distance of 643 miles, including four and one-half miles of pipeline laid under the Straits of Mackinac. Subsequently, lines were built to reach additional markets and deliver crude petroleum needed by their residents. Those included extensions into Canada (supra at 9) as far as Montreal in the Province of Quebec (Line 9) and Lines 6A/6B and 14 into the Upper Midwest of the United States. Thus for decades the Enbridge/Lakehead System has operated thousands of miles of pipeline and delivered billions of barrels of liquid petroleum to American and Canadian consumers.

30. In recent decades, various acquisitions and expansions have broadened and deepened Enbridge's operational, managerial, and technical qualifications and expanded the scope of its institutional and financial resources. Today Enbridge is one of North America's major independent pipeline systems, i.e., not owned by/affiliated with an oil producing or refining company. It participates actively in the industry and with authorities responsible for regulating pipelines: Members of Enbridge's management serve in leadership positions in trade and technical standards associations, such as the American Petroleum Institute (API); Enbridge

is a major participant in the liquid-petroleum industry's research and development consortium; Enbridge was a founding member of a public/industry effort -- the Common Ground Alliance -- to prevent third-party damage to underground facilities, including pipelines; and Enbridge representatives serve with numerous joint industry-government-public committees and initiatives. Due to its experience and expertise, Enbridge's participation has been sought on many pipeline projects and issues in North America and worldwide, including service as an integrity-management consultant to the Trans-Alaska Pipeline, as a maintenance-practice auditor for the Olympic Pipeline, and as an advisor to Petrochina on pipeline project-management issues.

31. Enbridge is a leader in pipeline-control and leak-detection systems, developing and deploying advanced computerized control, monitoring, and detection equipment on all its lines. These include the state-of-the-art SCADA (Supervisory Control and Data Acquisition) system which constantly monitors sensing devices placed along all Enbridge pipelines to track the pressure, temperature, density, and flow of liquid petroleum under transport and display the system's status to operators in the Operations Control Center in Edmonton, Alberta. The Edmonton Control Center uses the most modern pipeline control technology to monitor Enbridge's pipelines, including those of the Enbridge Gas Distribution Inc. system serving Ontario, Quebec, and New York State as well as Vector's natural gas pipeline in Illinois. Information flows to and from the Edmonton center and the system facilities on a 24/7 basis using Enbridge's extensive telecommunications facilities. Through the SCADA system, Enbridge's operators can maintain its pipelines within established operating parameters and can remotely and automatically shut down lines or segments thereof when they observe abnormal conditions or if safety parameters are exceeded. A subsystem of SCADA, known as CPM (Computational Pipeline Monitoring System), has the ability to analyze minor deviations in the

flow of liquids through the pipelines, thus allowing operators to remotely and swiftly identify very small leaks that would otherwise not be as readily detectable remotely. Strict operations rules require center operators to shut down lines whenever conditions are discovered that cannot be attributed to normal fluctuations and changes in the flow of petroleum.

32. Enbridge is also a leading entity in the construction and safe and environmentally sound operation of pipeline systems. Enbridge's lines are built and maintained in accordance with industry and governmental requirements and standards, and often in excess thereof. Thus the 42-inch line will be constructed using pipe with wall thickness ranging from 0.422 inch to 0.625 inch, depending on site criteria, and will be API 5L Grade X70 steel pipe manufactured by a qualified pipe fabricator. The diluent-line pipe will also be high-grade steel with wall thicknesses tailored to site conditions. As a safety factor, both pipelines are designed to withstand pressures over and above their normal operating pressures. All pipe is inspected and integrity-tested at the factory and transported per the highest technical standards. All of the pipe for both lines will be coated with fusion-bonded epoxy coating to protect against corrosion (coating in the controlled environment of a coating plant greatly enhances the efficacy of the process). In agricultural areas in Boone, DeKalb, LaSalle, and Livingston Counties, the pipes will be installed at a minimum depth of five feet below grade, except where greater depth may be required for particular conditions such as road and river crossings. In non-agricultural areas of Grundy and Will Counties, the diluent line will be installed per federal regulations, generally at a minimum depth of three feet below grade. Advanced excavation, soil-separation, and de-compaction and restoration techniques will be employed to preserve soil productivity and profiles and all disturbed areas will be restored to pre-construction conditions and grades or otherwise mitigated. To assure minimal impacts on agricultural properties, Enbridge will enter

into an Agricultural Mitigation Agreement with the Illinois Department of Agriculture which will provide comprehensive procedures to deal with productivity, erosion, access, and other issues of concern in agricultural areas (draft appended as Attachment C). The actual installation of the pipelines will be subject to regulatory inspection, including by PHMSA inspectors operating from the agency's Central Region office in Kansas City, Missouri and field office in Des Plaines, Illinois.

33. Enbridge will additionally employ third-party construction, safety, and environmental inspectors to assure compliance with Enbridge's contract specifications for pipeline construction, which specifications incorporate all regulatory and industry requirements. Although not yet selected, Enbridge will utilize only highly qualified and experienced contractors to do the actual construction and installation work. Employing such contractors ensures that Enbridge's lines will meet and/or exceed all standards. Once installed, both lines will be subjected to careful testing to verify their integrity and compliance with specifications. Such testing will inter alia include checking coating integrity; examining by X-ray 100% of field welds (over and above the 10% required by regulation); internally inspecting the entire length of each line by using an in-line inspection (ILI) tool known as a caliper pig; and hydrostatically testing each line to qualify it to meet the pressure standards set for it (hydrostatic testing is done to 100% of specified minimum yield strength (SMYS); maximum operating pressure is 72% of SMYS). Both lines will go into service only after inspection to verify compliance with all construction standards and requirements. Of course, the construction and installation of Enbridge's new lines must, and will, also meet the environmental impact and protection standards of the numerous federal, state and local agencies that may have jurisdiction over environmental factors along Enbridge's routes. These include inter alia the U.S. Environmental

Protection Agency (USEPA), the U.S. Army Corps of Engineers (ACE), the Illinois Department of Natural Resources (DNR), and the Illinois Environmental Protection Agency (IEPA). A list of such environmental as well as cultural/historical agencies and their permitting requirements is appended as Attachment D.

34. Compliance with regulatory requirements applicable to pipeline construction is only part of Enbridge's commitment to protecting and enhancing the environments in which its lines and facilities operate. Thus Enbridge expends many millions of dollars annually to maintain, protect, and upgrade its pipelines and other facilities. All of Enbridge's mainline liquids pipelines are coated to resist corrosion; internally inspected at regular intervals using ILI technology; and equipped with a cathodic-protection system to prevent external corrosion. Wherever it may be a concern, extensive efforts are also made to deal with internal pipe corrosion through a mitigation program that includes flow modifications and injection of corrosion-arresting agents into the crude stream. If internal corrosion is suspected, representative locations along a line are exposed by digging and monitoring devices are attached directly on the exterior surface of the pipe to detect the presence of actual corrosion by measuring the movement of hydrogen ions indicative of an ongoing corrosion process (so-called hydrogen or Beta foils). Although it is not a known leak cause on the Lakehead System, Enbridge also actively participates in industry-wide efforts to prevent Stress Corrosion Cracking ("SCC"), a process by which hairline cracks can grow and ultimately penetrate steel pipe. Enbridge funds research on the problem and has developed landscape models for its rights-of-way to identify corrosive environments conducive to SCC. As well, whenever any mainline pipe is excavated for any reason, it is examined for evidence of SCC and any necessary repairs are made prior to a failure. In addition, the Lakehead System's rights-of-way are patrolled and

inspected by air at least every three weeks but not less than twenty-six (26) times per year to watch for abnormal conditions or dangerous activities, e.g., unauthorized excavation, along the routes of the lines. Enbridge also conducts extensive public education and outreach programs that meet or exceed industry (API Recommended Practice 1162) and federal (49 CFR 195.440) requirements concerning public awareness of pipelines and pipeline-safety matters. All Enbridge lines are marked with signage and warnings, per federal regulations, at road and highway crossings, field lines, navigable rivers, and other locations to alert the public to the presence of underground lines and to provide information, contact numbers, and emergency data. As noted (supra at 4), Enbridge maintains emergency response equipment and personnel at strategic points along its routes -- and will do so for the Southern Access and diluent lines -- and trains its personnel to deal with any pipeline emergency. An emergency response plan approved by PHMSA is in place and force and specialized response-services providers are under contract to supplement Enbridge's resources if necessary. Enbridge has high standards for environmental protection, as demonstrated by its record in Illinois where its lines have operated since 1968. In that span of almost forty years, Enbridge/Lakehead has had few releases (five) large enough to be reported under applicable federal regulations. Two of these, including the most substantial at Elgin in 1988, were caused by improper excavating within the pipeline right-of-way. In all cases, the release was promptly and effectively contained and mitigated by Enbridge. Given the billions of barrels of liquid petroleum transported into and through Illinois by Enbridge/Lakehead since 1968, Enbridge's history in Illinois is a positive record of safe, environmentally conscious operation, which record Enbridge is committed to maintaining and improving.

35. Enbridge's commitment to the Southern Access Expansion Program is clear. The public need for more petroleum products and more crude supply has been carefully assessed and evaluated; the interests of petroleum shippers and refiners have been studied and considered and the support of both has been established through consultations with CAPP and refinery representatives in Illinois and the PADD II region; and the responsible U.S. agency (FERC) has accepted tariff arrangements designed to make the expansion a feasible part of the Enbridge/Lakehead system (114 FERC ¶ 61,264 (March 16, 2006)). The requisite capital, which exceeds $2 billion, has been committed by Enbridge management and Enbridge and its Affiliates are financially capable of constructing and operating the new lines, as is evident from the appended annual reports and financial statements for Enbridge Partners and Enbridge Inc. and Lakehead's 2005 FERC Form 6. See Attachments E, F, and G. Moreover, the necessary steps are in progress to construct the new lines and place them in operation in order to deliver vitally important crude petroleum to Illinois and the Midwest. Thus efforts are underway to conduct detailed civil, environmental, and archeological surveys along the proposed rights-of-way; construction specifications are under development; pipe fabrication is being scheduled; upstream pumping improvements are beginning; and notice of this application is being provided to the pipelines, railroads, telecommunications companies, county boards, municipal governments, and regulatory agencies listed on Attachment H appended hereto. As well, Applicants have compiled, and have appended hereto pursuant to 83 Illinois Administrative Code § 200.150(h), lists of the owners of record of privately owned tracts of land upon or across which Applicants expect to construct the new Southern Access and Southern Lights pipelines (see Attachment I).

CONCLUSION

Illinois and the petroleum-consuming public therein need adequate, dependable, secure, and affordable supplies of crude petroleum in order to continue to enjoy having the level of refined petroleum products now demanded in the state and to meet the need for increased supplies of such products in the foreseeable future. Illinois-area refineries, as well as others in the midwestern United States, want and need increased levels of western Canadian-produced crude petroleum to satisfy the needs of their customers, the petroleum-consuming public. Canadian crude from Alberta and other areas offers a secure, stable, and adequate source of supply to meet these needs. The pipeline facilities that Enbridge proposes to construct and operate will meet those needs and will do so in the manner most conducive to public convenience and necessity. Accordingly, the Certificate in Good Standing requested herein should be issued.

Respectfully submitted,

ENBRIDGE ENERGY PARTNERS, L.P.;
ENBRIDGE ENERGY LIMITED PARTNERSHIP

OF COUNSEL:

Joel W. Kanvik
Senior Counsel
Enbridge Energy Company, Inc.
1100 Louisiana
Houston, Texas 77002
(713) 821-2000

Gerald A. Ambrose
G. Darryl Reed
Sidley Austin LLP
One South Dearborn
Chicago, Illinois 60603
(312) 853-7000

Attorneys for Applicant

Dated: June 28, 2006

By: _____
Gerald A. Ambrose
One of Applicants' Attorneys

VERIFICATION

PROVINCE OF ALBERTA)
) SS
CITY OF EDMONTON)

Dale W. Burgess, P. Eng., first being duly sworn upon oath, deposes and says that he is the Director, Southern Access of Enbridge Pipelines Inc., an affiliate of Applicants Enbridge Energy Partners, L.P. and Enbridge Energy, Limited Partnership; that he is the project director of the Southern Access Expansion Program; that he is authorized to make this verification on behalf of Applicants; and that he has read the above and foregoing Application, including the attachments appended thereto, and knows the contents thereof, and that said contents are true and correct to the best of his knowledge, information, and belief.

Dale W. Burgess, P. Eng.

SUBSCRIBED AND SWORN
to before me this 26 day of June, 2006.

Notary Public

Bonnie L. Andriachuk
Barrister & Solicitor